

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA :

- v. - :

**INFORMATION**

CRAIG ZABALA, : 20 Cr. 564 ( )

Defendant. :

- - - - - X

**COUNT ONE**

**(Conspiracy to Commit Securities Fraud and Wire Fraud)**

The Acting United States Attorney charges:

**The Scheme to Defraud**

1. From at least in or about 2015 through in or about 2020, CRAIG ZABALA, the defendant, and others perpetrated a scheme to defraud at least approximately 17 investors out of at least approximately \$4.38 million by (i) soliciting investments in notes, warrants, and equity issued by Concorde Group Holdings Inc. ("Holdings"), a purported merchant bank of which ZABALA was the Chairman, CEO, and President, through false and misleading statements; (ii) failing to use investors' funds as promised; and (iii) converting investors' money to their own use, including to repay (in a Ponzi-like fashion) investors in Concorde Group, Inc., another purported and associated merchant bank of which ZABALA was the Chairman, CEO, and President.

Statutory Allegation

2. From at least in or about 2015 through in or about 2020, in the Southern District of New York and elsewhere, CRAIG ZABALA, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j (b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5, and wire fraud, in violation of Title 18, United States Code, Section 1343.

3. It was a part and object of the conspiracy that CRAIG ZABALA, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails and of the facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes and artifices to defraud; (b) making and causing to be made untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated

and would operate as a fraud and deceit upon persons, in violation of Title 15, United States Code, Sections 78j (b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

4. It was a further part and an object of the conspiracy that CRAIG ZABALA, the defendant, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice, would and did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343.

Overt Acts

5. In furtherance of the conspiracy and to effect its illegal objects, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about November 2, 2015, CRAIG ZABALA, the defendant, wrote a check for \$100,000 payable to his girlfriend from a bank account in New York, New York using money from investors in Holdings.

b. On or about October 29, 2016, ZABALA sent a prospective Holdings investor an email that included an attachment, which falsely stated, "[Holdings] has already raised

US\$24.2 million in its offering" of \$25 million in senior secured notes.

c. On or about June 8, 2018, ZABALA used money invested by Holdings investors to make a payment of approximately \$17,220.82 on his American Express card.

(Title 18, United States Code, Section 371.)

**FORFEITURE ALLEGATION**

6. As a result of committing the offense alleged in Count One of this Information, CRAIG ZABALA, the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a) (1) (C) and Title 28, United States Code Section 2461, any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense alleged in Count One this Information, including but not limited to a sum of money equal to \$4,380,000 in United States currency representing the amount of proceeds traceable to the commission of said offense that the defendant personally obtained.

**Substitute Assets Provision**

7. If any of the above-described forfeitable property, as a result of any act or omission of CRAIG ZABALA, the defendant,

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of  
the court;

d. has been substantially diminished in value;  
or

e. has been commingled with other property  
which cannot be divided without difficulty,  
it is the intent of the United States, pursuant to Title 21,  
United States Code, Section 853(p), and Title 28, United States  
Code Section 2461, to seek forfeiture of any other property of  
the defendant up to the value of the forfeitable property  
described above.

(Title 18, United States Code, Section 981 (a) (1) (C);  
Title 21, United States Code, Section 853(p);  
Title 28, United States Code, Section 2461.)

A handwritten signature in cursive script, appearing to read "Audrey Strauss", is written over a horizontal line.

AUDREY STRAUSS  
Acting United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

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SOUTHERN DISTRICT OF NEW YORK

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- v. -

CRAIG ZABALA,

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(18 U.S.C. § 371.)

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AUDREY STRAUSS  
Acting United States Attorney

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10/22/2020 Fld. Information and Waiver of Indictment.

Defendant Craig Zabala present with attorney Michael Kelly; AUSA Joshua Naftalis present; Court reporter present. Defendant is arraigned and sworn. The Court accepts defendant's plea of Guilty as to count 1. The sentencing date is set for February 5, 2021 at 11:00 am. The defendant's sentencing submission is due by January 22, 2021 and the government's submission is due January 29, 2021. The PSR was ordered and bail is continued. (See transcript)

Oetken, J

Submitted by      Bruce Hampton  
Courtroom Deputy